Copy of letter dated the 26th September ~~1922~~ 1919 to the address of the Chief Secretary, Bombay Government.

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Dear Sir,

I have the honor to enclose for the information of the Govt: notes of the discussion between messrs: Jeremiah Lyon & Co., and myself on the proposed London Agency agreement with that firm, and to state as follows:-

Should the Govt: finally decide to give this Agency to the firm a formal agreement may be prepared by the Govt: Advocate and sent for signature in London in duplicate, embodying the terms discussed in the enclosed notes.

Before, however, concluding the contract, it may be desirable to take into consideration certain general aspects of the case. The State of course, reserves to itself the right of giving or not giving any particular business, and under such stipulation Railway, Public Works and Electricity Departments may, as circumstances require, be excluded from the operations of the Agency. There is the view that any business for Bombay to be transacted in London should not be on the commission basis but should be remunerated by a lump fee payable per annum, and that the Agency employed should be only advisory, leaving all the power of placing orders with manufacturers in the State.

Such a consulting and advisory Agency may perhaps suit the Bombay Government better, but there is the difficulty to be faced in establishing such a Agency, that no particular firm or individual can be considered competent to advise on all technical matters. At all events, I put the question before Government for their formal decision.

There are many other competent and reliable Civil Engineering firms in London who would be only too willing to establish and an advisory and consulting Agency here for the Government, promising to put our several Resident Engineers in touch with the latest information and the best sources of supply in regard to the va-

various classes of needs that may be intended for. A payment of say £ 1,000 a year or even less may suffice as remuneration for such an agency. 2½ per cent commission of the total exports to Ypore from London obtained through the services of a general agency firm will certainly amount to a much larger sum.

I have informed Messrs. Jeremiah Lyon & Co., that the whole matter is now placed before Government and that, pending ratification or other instructions, they may continue to carry on any work that may be entrusted to them under the present arrangements. I personally do not think that the agency agreement need be fixed for any term and would recommend that, if ratified, it may be made revocable under the General Agency Law obtaining in this country.

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